

FY 2017 BUDGET DEVELOPMENT REVENUE PROJECTIONS

Board of Supervisors Work Session
February 9, 2016

Agenda

- Revenue Category Overview
- Revenue Projection Summary
- Tax Rate Information
- Next Steps

REVENUE CATEGORY OVERVIEW

General Government Revenue Projections

		FY 2015-2016				
Category	Actual FY 2015	Adopted FY 2016	Adjustments FY 2016	Projected FY 2016	Projected FY 2017	FY16 to FY17 Change
Revenue Estimate Categories						
Real Estate Taxes	\$86,453,395	\$87,885,995	(\$108,422)	\$87,777,573	\$89,401,101	\$1,515,106
Personal Property Taxes	31,084,203	31,793,620	228,859	32,022,479	32,877,122	1,083,502
Intergovernmental	14,497,834	14,058,112	800,000	14,858,112	14,858,112	800,000
Other Local Taxes*	13,680,322	13,400,610	286,336	13,686,946	13,936,000	535,390
Sales Tax	9,843,436	10,100,000	0	10,100,000	10,252,000	152,000
Business License	6,440,138	6,399,100	31,876	6,430,976	6,447,000	47,900
Meals Tax	4,011,413	4,071,850	99,037	4,170,887	4,362,750	290,900
Communications Tax	3,950,654	3,975,000	(160,000)	3,815,000	3,796,000	(\$179,000)
Ambulance Fees	3,157,348	3,142,233	0	3,142,233	3,223,233	81,000
Revenue Projections	\$173,118,744	\$174,826,520	\$1,177,686	\$176,004,206	\$179,153,318	\$4,326,798
Revenue Categories To Be Determined (TBD)						
Other Fees & Revenue*	\$3,678,842	\$3,454,231	(\$190,000)	\$3,264,231	\$3,262,171	(\$192,060)
Non-Revenue/Transfer	880,651	0	0	0	0	(500,000)
Beginning Balance	0	500,000	0	500,000	0	0
Revenue Projections TBD	\$4,559,494	\$3,954,231	(\$190,000)	\$3,764,231	3,262,171	(\$692,060)
Total Revenue Projections	\$177,678,237	\$178,780,751	\$987,686	\$179,768,437	\$182,415,489	\$3,634,738

*Other Local Taxes includes: Other Property, Consumer Utility, Bank Franchise, Motor Vehicle License, Recordation and Conveyance, Hotel/Motel, Other Local Taxes

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Revenue categories subject to Revenue Sharing Formula with Schools

Gross Revenue Subject to Formula:

\$161,071,973

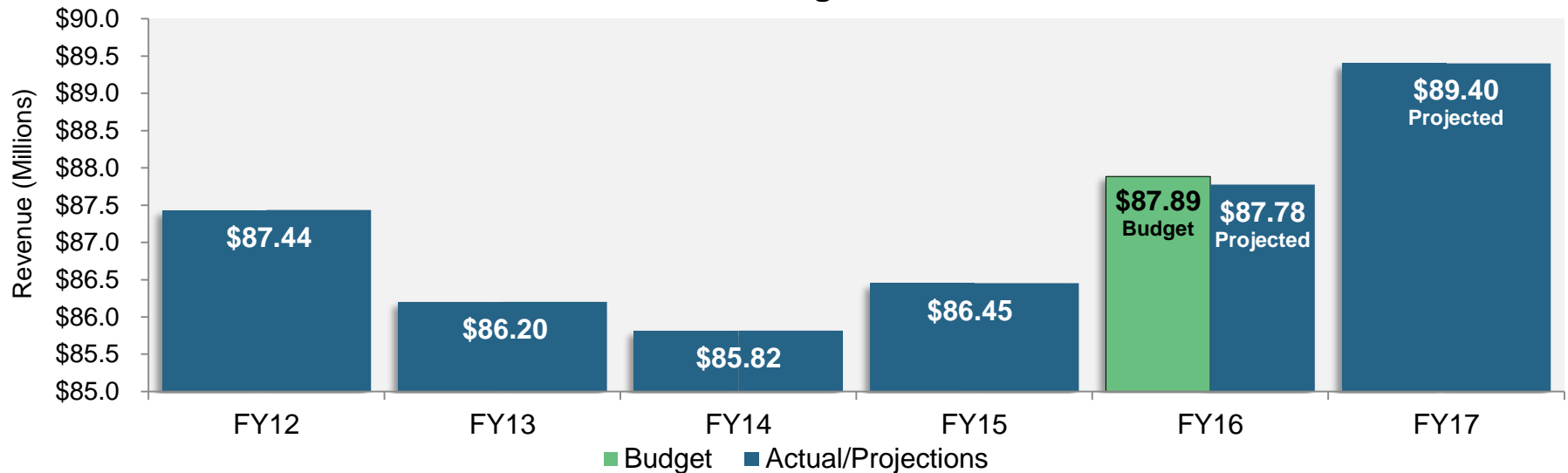
New Revenue Subject to Formula:

\$3,445,798

REVENUE CATEGORY OVERVIEW

Real Estate

**Real Estate Revenue
FY2012 through FY2017**

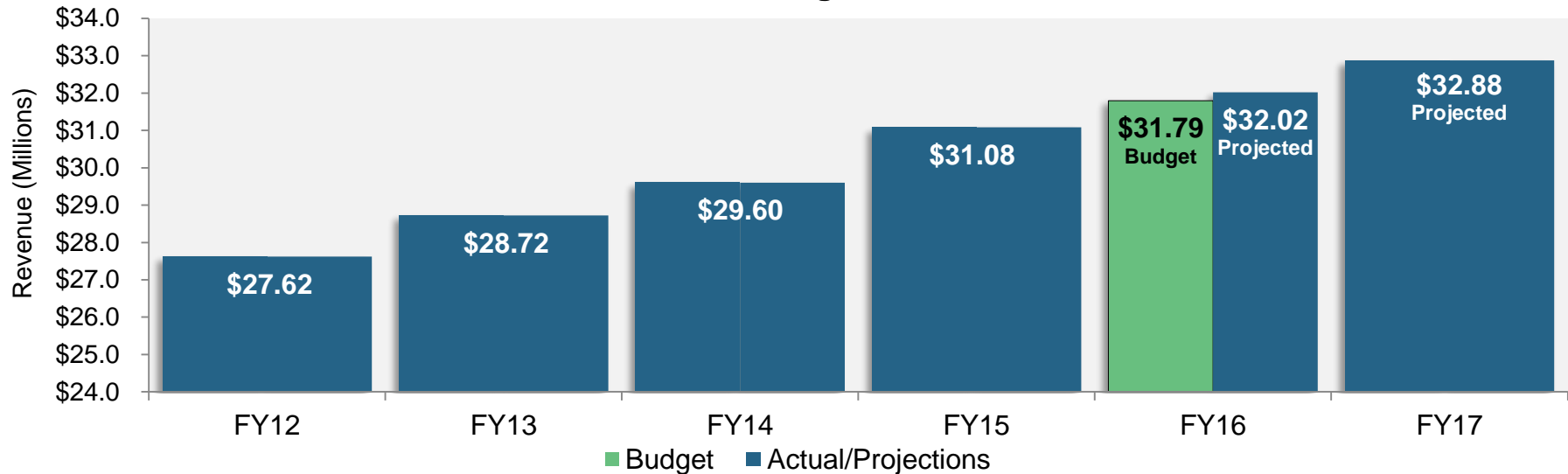


- Calendar Year (CY) 2016 reassessment projected at 1.75%
 - Actual - 1.46%
 - FY2016 revenue impact of **(\$100,000)**
- CY2017 reassessment projected at 1.5%
 - FY2017 - \$1,515,106 new revenue
- \$0.01 change of tax rate:
 - \$400,000 FY16 impact (County only)
 - \$815,000 FY17 impact (County/Schools)

Real Estate Revenue	
Current Rate	\$1.09/\$100 assessed
Current Trend	Slightly below budget
Future Outlook	Slight Growth (1%-2%)
1% Growth Impact	\$880,000

Personal Property

Personal Property Revenue FY2012 through FY2017

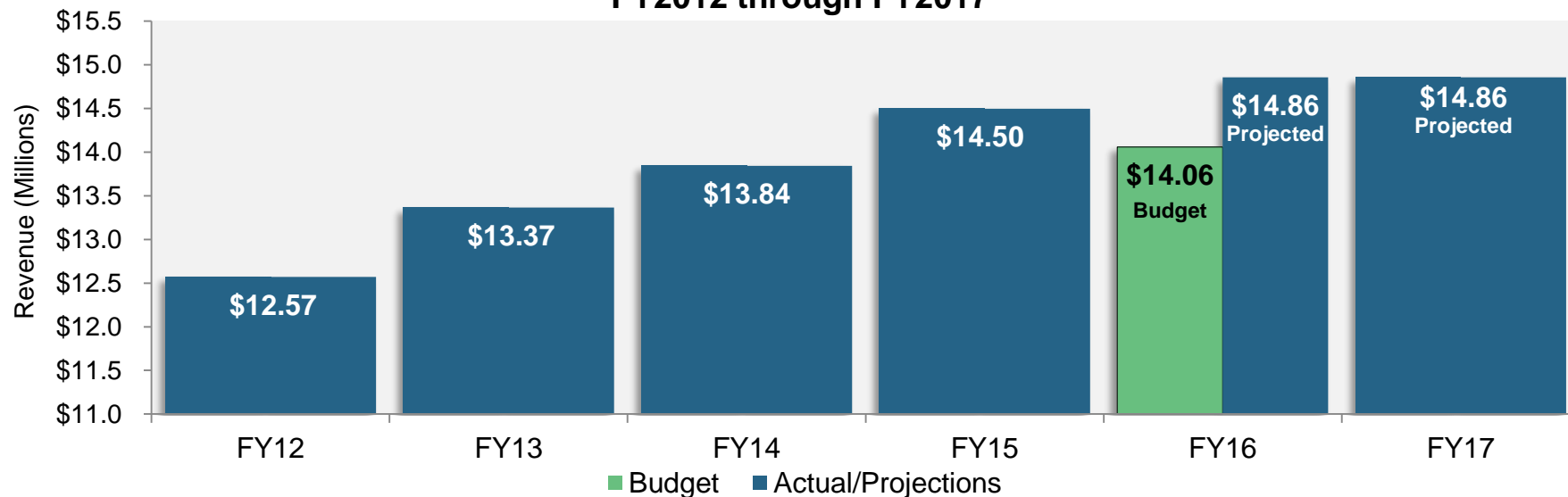


- January 2016 NADA Report
 - 2015 one of the strongest years on record for vehicle prices
 - Used vehicle prices fell slightly month-over-month in December
 - New vehicle sales for December at annual highs
- FY 2017 projected growth of 2.7%

Personal Property Revenue	
Current Rate	Pers Prop: \$3.50/\$100 Mach & Tools: \$2.95/\$100
Current Trend	Slightly above budget
Future Outlook	Moderate Growth (2%-3%)
1% Growth Impact	\$320,000

Intergovernmental

**Intergovernmental Revenue
FY2012 through FY2017**

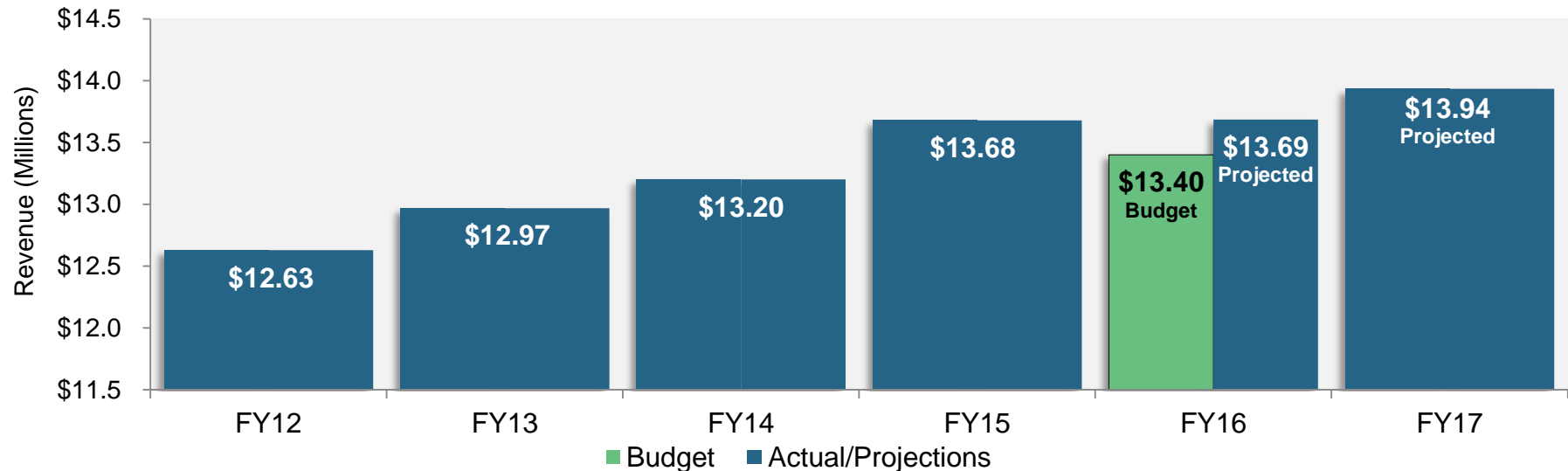


- Majority of revenue due to Social Services reimbursements (revenue pass-through)
- Social Services has seen consistent annual increases in 100% reimbursable services (e.g. – adoption subsidy, foster care, etc.)

Intergovernmental Revenue	
Current Rates	N/A
Current Trend	On budget
Future Outlook	Very Slight Growth (0% - 1%)
1% Growth Impact	\$149,000

Other Local Taxes

Other Local Taxes
FY2012 through FY2017

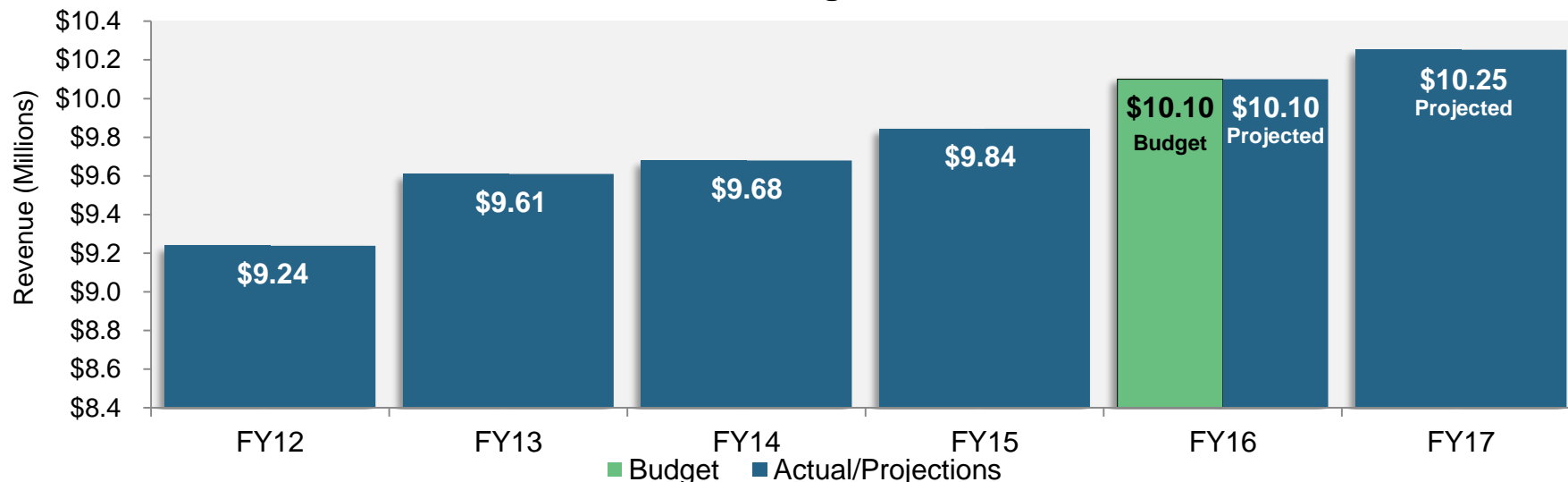


- Category includes Other Property Taxes, Consumer Utility, Bank Franchise, Motor Vehicle License, Recordation and Conveyance, Hotel/Motel, Other Local Taxes
- Total revenue category to exhibit slight growth of 1.8% in FY 2017

Other Local Taxes and Fees	
Current Rate	Varies
Current Trend	Slightly above budget
Future Outlook	Slight Growth (1% - 2%)
1% Growth Impact	\$137,000

Sales

**Sales Tax Revenue
FY2012 through FY2017**

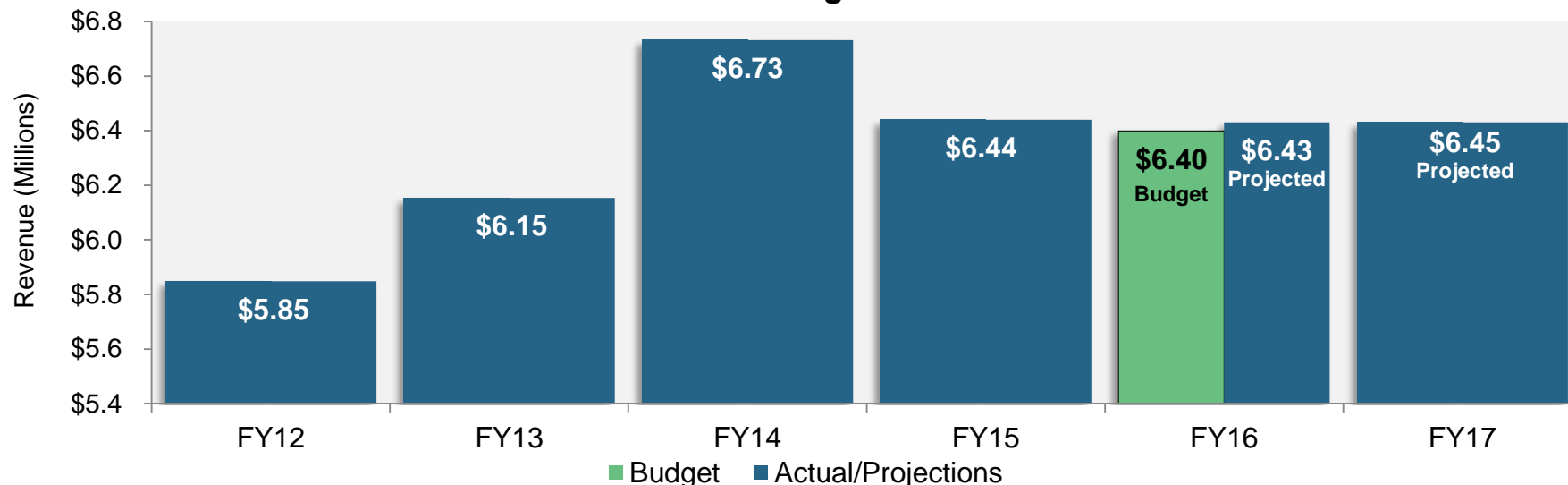


- Category is currently projecting 2.6% year-over-year growth
- Category has been slow to rebound from recession; historical growth rates of >3% were common
- FY2017 growth expected to be positive; projections may be further revised as data becomes available

Sales Tax Revenue	
Current Rates	4.3% State 1% Local
Current Trend	On budget
Future Outlook	Slight Growth (1% - 2%)
1% Growth Impact	\$101,000

Business License

**Business License Revenue
FY2012 through FY2017**

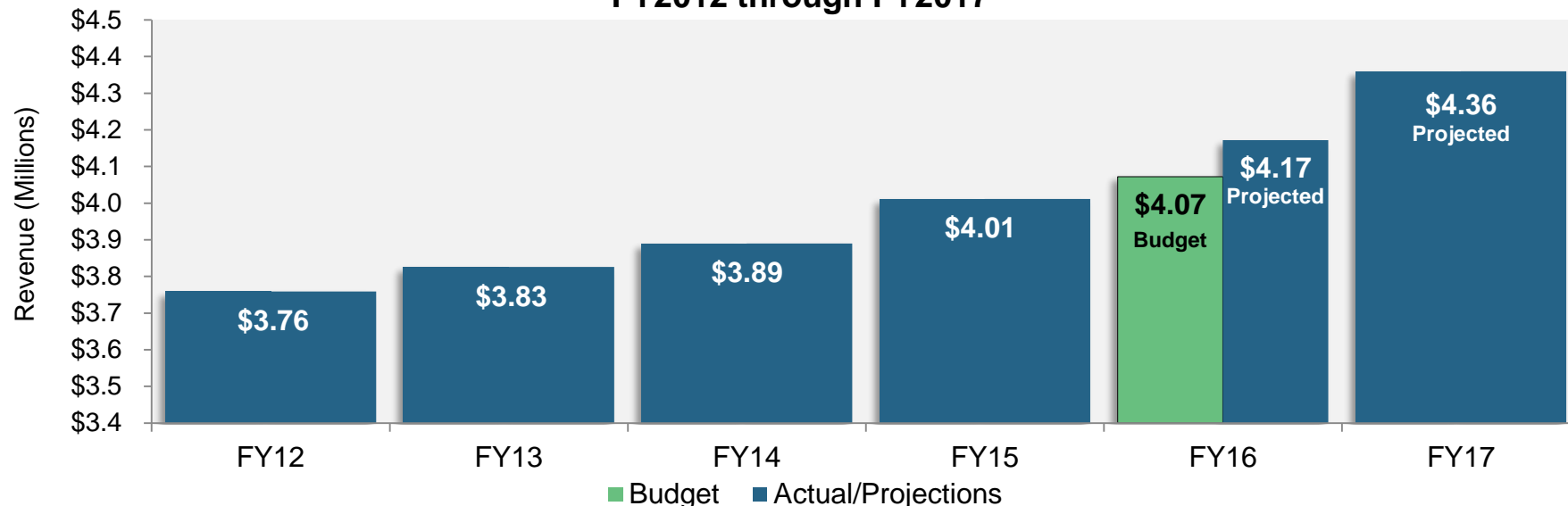


- FY2016 year-to-date collections consistent with original budget
 - Main collections seen in February and March
- FY2017 growth expected to be marginal; more data needed
- Category subject to one-time collections that can skew trend lines

Business License Tax Revenue	
Current Rates (per \$100 gross receipts)	Contractors: \$0.16 Repair: \$0.36 Professional: \$0.58 Wholesale: \$0.05 Retail: \$0.20
Current Trend	On budget
Future Outlook	Very Slight Growth (0% - 1%)
1% Growth Impact	\$64,000

Meals

**Meals Tax Revenue
FY2012 through FY2017**

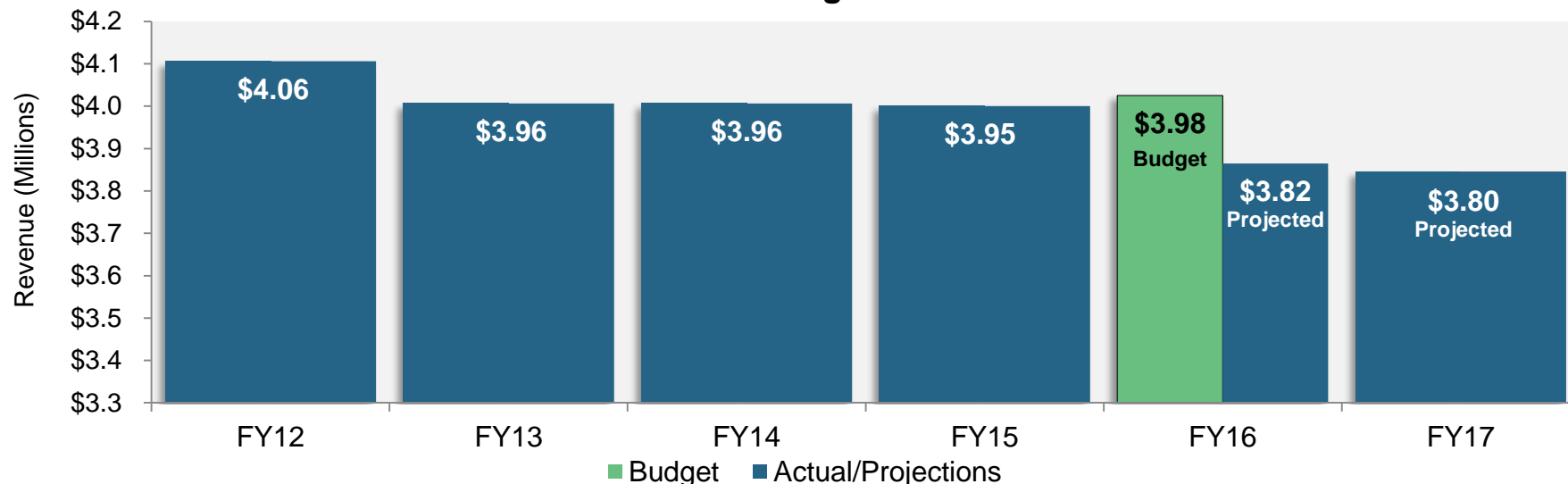


- FY2016 year-to-date collections up 8% compared to FY2015
 - Consistently strong growth trend on year-over-year monthly comparisons
- FY2017 growth expected to remain well above other revenue categories at 4.6%
- County cannot adjust Meals Tax rate without State approval

Meals Tax Revenue	
Current Rates	4%
Current Trend	Above budget
Future Outlook	High Growth (>3 %)
1% Growth Impact	\$42,000

Communications

**Communications Tax Revenue
FY2012 through FY2017**

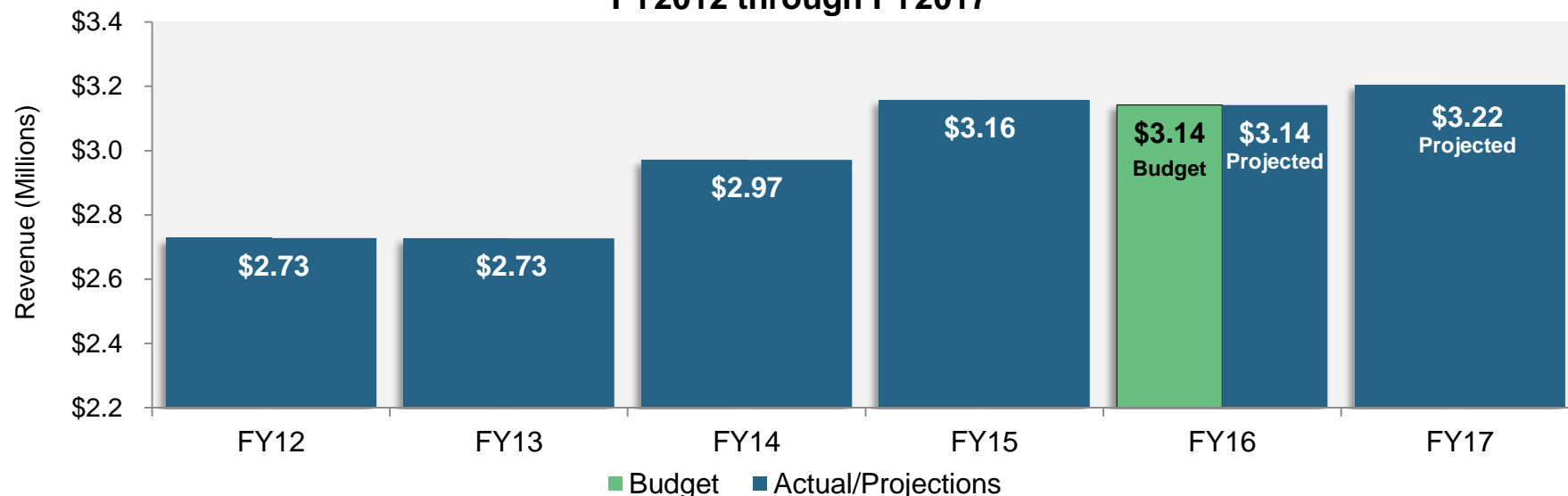


- FY2016 projections projected to be under budget by **(\$170,000)**
- Category has been flat and/or trending down since FY 2012
- Slight further decline in FY 2017 anticipated

Communications Tax Revenue	
Current Rates	\$0.75 per line
Current Trend	Under Budget
Future Outlook	Slight Decline (-1% - 0%)
1% Growth Impact	\$38,000

Ambulance Fees

**Ambulance Fee Revenue
FY2012 through FY2017**

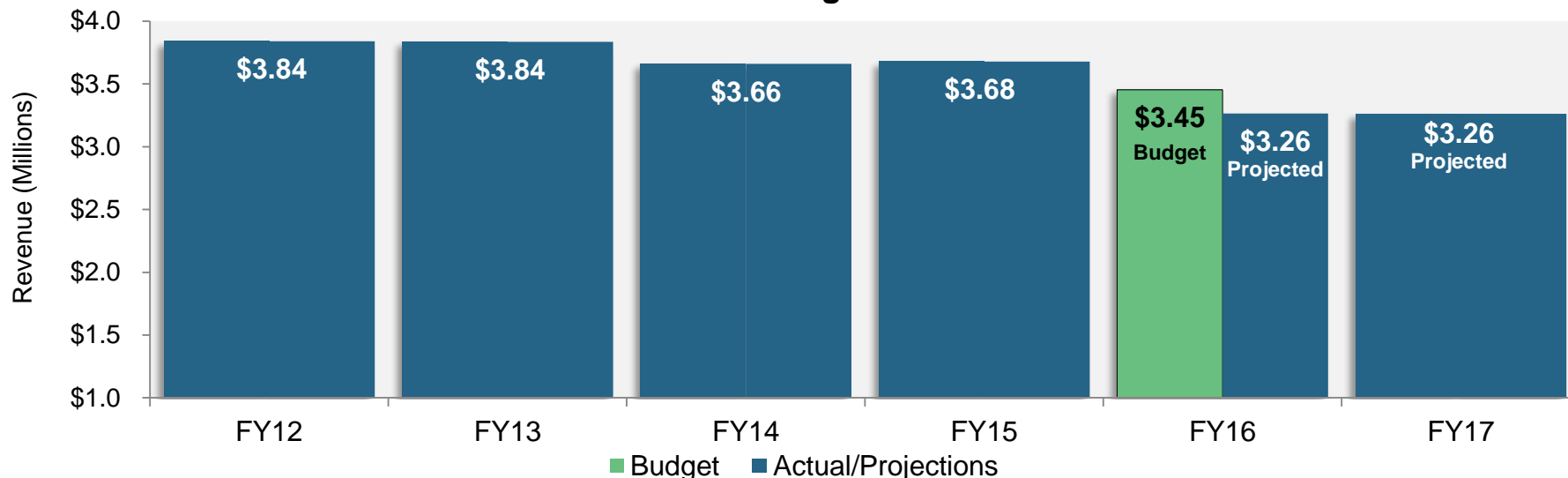


- Department of Health and Human Services has reduced the maximum allowable 2016 Medicare reimbursement rates
 - 64% of all collections are from Medicare
- While rates have been reduced, higher rate services (ALS) have seen increased call volume
- Recommend leaving rates unchanged

Ambulance Fees	
Current Rates	BLS: \$375 ALS I: \$425 ALS II: \$650 Mileage: \$11
Current Trend	On budget
Future Outlook	Slight growth (1%-2%)
1% Growth Impact	\$31,000

Other Fees and Revenue

Other Fees and Revenue
FY2012 through FY2017



- Category includes Permits, Fees, & Licenses, Fines and Forfeitures, Use of Money, Charges for Services, Recovered Costs, and Miscellaneous Revenue
- Total revenue category expected to remain flat compared to FY 2016 projections

Other Local Taxes and Fees	
Current Rate	Varies
Current Trend	Below budget
Future Outlook	Flat (0% - 1%)
1% Growth Impact	\$32,000

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FY 2017 Operating Budget Items

FY 2016-2017	Amount
Revenue Increases	
Current Revenue Projections	\$4.33M
Revenue Projections TBD	(\$690K)
Expected Expenditure Increases	
Schools Transfer Increase	(\$1.00M) to (\$1.10M)
Employee Compensation	(\$1.00M)
Social Services Increase (100% reimbursed)	(\$800K)
Economic Development Incentives	(\$500K)
Health Insurance Increase	(\$250K)
Workers' Compensation Increase	(\$250K)
WVRJA Debt Service Increase	(\$130K)
Convention and Visitor's Bureau Increase	(\$70K)
Current Funding Gap	(\$410K)

TAX RATE INFORMATION

Taxes – Property Taxes

Establishing 2016 Tax Rates

- Resolution to Establish Maximum Tax Rate: March 22
- Resolution to Adopt the 2016 Tax Rate: April 12
- Real Estate (2015 = \$1.09)
 - \$0.01 change in rate
 - Current FY revenue = \$400,000; FY 2017 revenue = \$815,000
- Personal Property (2015 = \$3.50)
 - \$0.01 change in rate = \$75,000
- Machinery and Tools (2015 = \$2.95)
 - \$0.01 change in rate = \$6,000

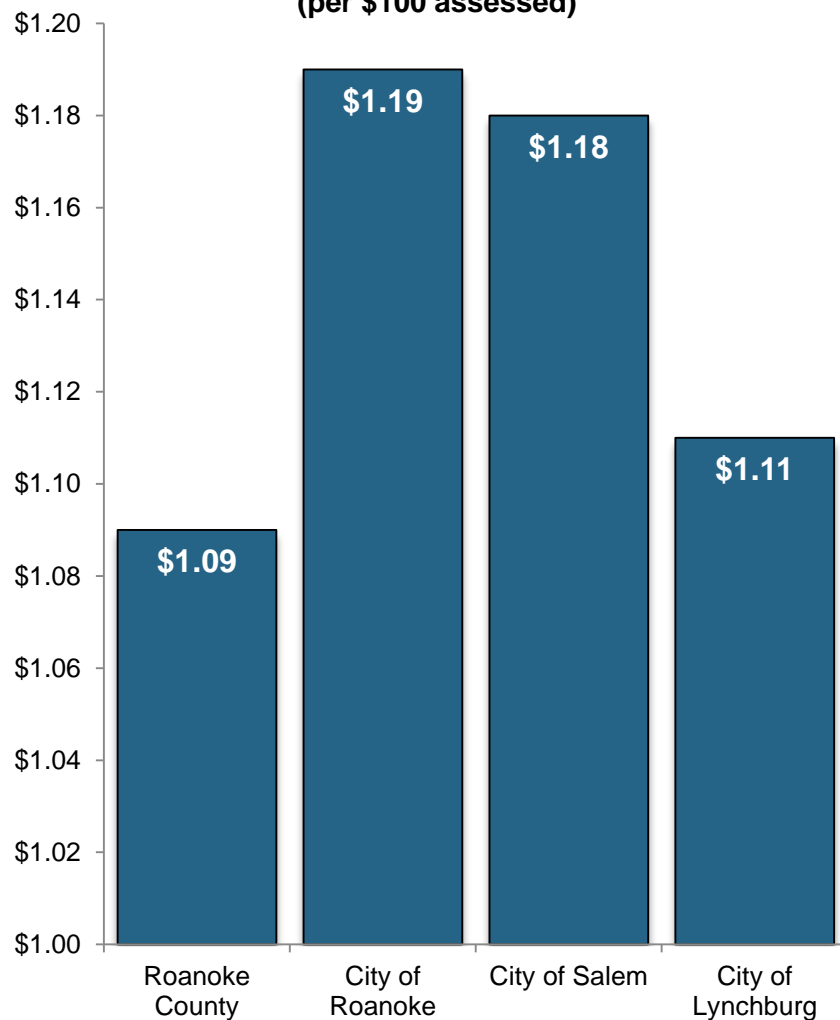
Taxes – Property Taxes

- Tax Rate Change “Net” Impact on County/School Funding
 - A change in tax rates impacts both current year and FY 2017 for the County but only FY 2017 for the Schools
 - Example - a \$0.01 reduction in the Real Estate tax rate would have the following impact on revenue:

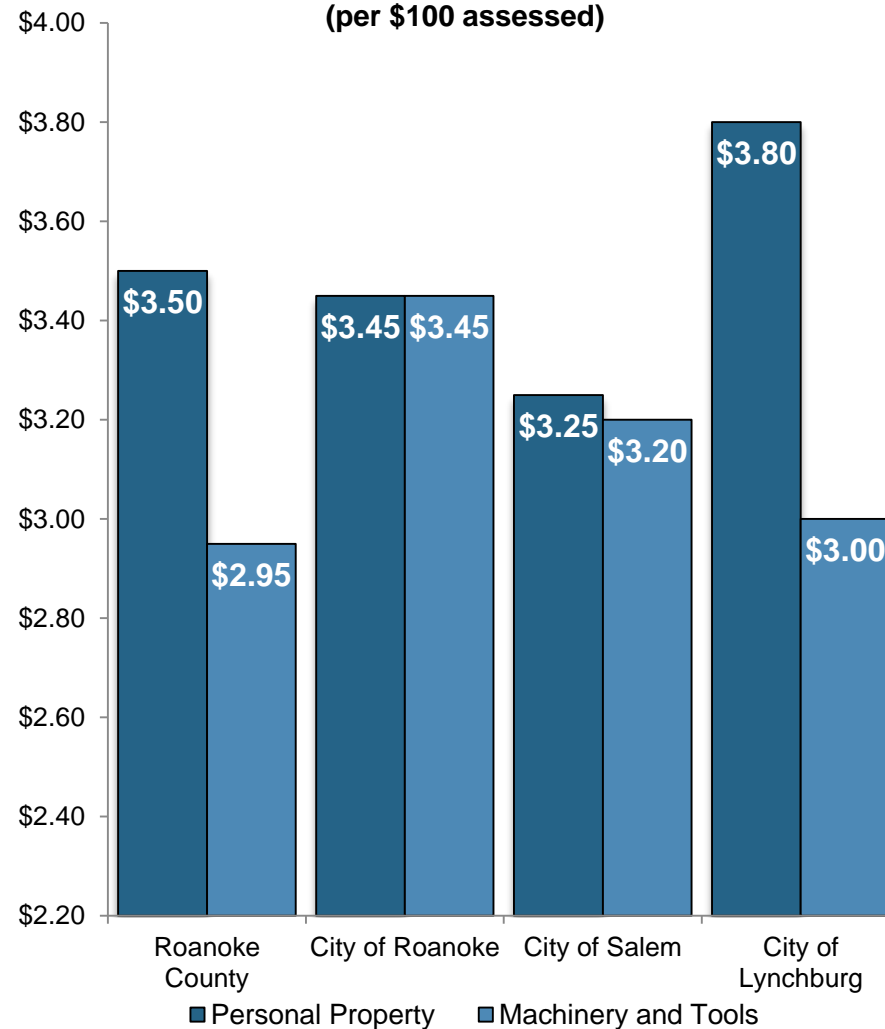
Current Year Impact		FY 2017 Impact	
County	Schools	County	Schools
(\$400,000)	-	(\$467,000)	(\$348,000)

Tax Rate Comparison

FY 2016 Real Estate Tax Rates
(per \$100 assessed)



FY 2016 Personal Property and Machinery and Tools Tax Rates
(per \$100 assessed)



NEXT STEPS

Next Steps

- February 23rd Work Sessions
 - Workforce and Total Compensation
- March 8th – County Administrator's Proposed FY 2016-2017 Budget Presentation
- March 22nd – Resolution adopting maximum tax rate
- April 12th – Resolution adopting 2016 tax rate
- May – First and Second Readings of Adopted Operating and Capital Budgets

COMMENTS
